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Title:

ALP broadcast regarding 'public housing under the Playford Government'.

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A.L.P. BROADCAST.

7th March, 1960.

Good Evening.

As from time to time great things are said about housing achievements of the Playford Government in this State, it would be well, I think, to tell you the story of public housing under the Playford Government - one which does not appear in the propaganda produced by Sir Thomas for public consumption but one which he cannot deny.

During the latter part of the war the Labor Government in Canberra set up an enquiry into housing and the needs of the people for slum-clearance, re-housing and new housing in the post-war reconstruction era. The report made it clear that a great deal of existing Australian housing was sub-standard and recommended that extensive house-building by public authority be undertaken and the houses allotted strictly in accordance with need.

The view which the Commission took was that housing was a form of social assistance and that to have a ~~fairly~~ ^{fairly} adequately housed community was as essential a prerequisite to satisfactory family life as the ensuring that the breadwinner had adequate employment. It was impossible to expect that private investment in housing for rent would either produce sufficient houses to meet the demand for them, or produce them at rentals at which the majority of wage earners could pay for them. The fact was clear that the pre-war record of private investment in housing was so poor that no one could have very sanguine hopes for housing achievements by this method post-war. Moreover, it was clear that postwar house building costs were certain to be such that there would be far more attractive avenues for private investment.

The result of the Commission's report was the 1945 Commonwealth & State Housing Agreement. Under this agreement ratified by the States, the Federal Labor Government provided State Governments with large sums of money which enabled State institutions to build houses in large quantities.

The money was provided on certain conditions.

Let me read some of the clauses of the agreement to you:-

3. (1) Each State shall ensure that adequate legislation exists in the State to enable it at all times to control throughout the State -
 - (a) rental housing projects under this Agreement;
 - (b) slum clearance; and
 - (c) town planning.
- (2) Each State shall, subject to this Agreement, be responsible for the administration of its housing projects and if more than one authority is charged with the administration of the matters mentioned in sub-clause (1) of this clause the State shall co-ordinate the activities of those authorities.
10. (1) The weekly rent of dwellings shall be calculated in manner provided in the First Schedule to this Agreement. The amount so calculated is in this Agreement referred to as the "economic rent."
- (2) The provisions for calculation of the economic rent as set out in the First Schedule to this Agreement may from time to time be varied in respect of any particular State by agreement between the Treasurer of the Commonwealth and the Treasurer of that State but so that any such agreement shall have no force or effect unless the Treasurers of all the States agree to the variation.
11. (1) Each State agrees that tenants of dwellings may be granted a rebate of rent calculated in such manner as may from time to time be agreed upon between the Treasurer of the Commonwealth and the Treasurer of the State and unless and until otherwise agreed, in the manner provided in this clause (but so that in no case shall the rent of a dwelling be less than eight shillings per week), that is to say:-
 - (a) if the family income of the tenant is equal to the basic wage the rebate shall be an amount equivalent to the sum by which the economic rent of the dwelling exceeds one-fifth of the family income.;
 - (b) if the family income of a tenant is less than the basic wage the rebate which would have been granted if the family income had been equal to the basic wage shall be increased by one quarter of the amount by which the family income is less than the basic wage; and
 - (c) if the family income exceeds the basic wage the rebate which would have been granted if the family income had been equal to the basic wage shall be decreased by one third of the amount by which the family income exceeds the basic wage.

If any rebate is so calculated is not a multiple of sixpence, the rebate shall be the next lowest multiple of sixpence.

So it was clear that if a man could not afford to pay

the economic rent of a house (i.e. enough to amortise the outlay of the house over a reasonable period, plus interest and costs of maintenance) then he got a rebate in rent. The principal of the rebate was to see that the rent did not exceed a fifth of the family income, and that those who most needed housing, rather than those who could pay most for housing, were the ones to be housed first.

The interesting fact is that for eight years after the making of that agreement the S. A. Government of Sir Thomas Playford did not use the money from that agreement although it was available. During that period our housing figures in South Australia were among the poorest in the Commonwealth.

Instead Sir Thomas used money from the S. A. Savings Bank. How did he get it? Thereby hangs an interesting tale. In 1945 the Commonwealth Parliament had passed an Act giving the Central Bank (i.e. the Commonwealth Bank) certain powers of control over the banking system designed to control the level of credit. As the Commonwealth Constitution gives the Federal Parliament no power to make laws in respect of State Banking the Trustees of the Savings Bank asked the Premier to pass a law in S.A. making the assets of the S.A. Savings Bank the property of the Crown. This would make it a State bank and relieve it of the Federal credit control I mentioned. This was done, at a price. The price was the advance to the State Government for housing of some millions at a lower rate of interest than the Bank was paying its depositors.

So that's where Sir Thomas got the money from until 1953. Under this provision he ignored the recommendation of the Housing enquiry and did not allot housing to people who needed housing most - he allotted houses according to the date of application and financial capacity and needy people who could not pay an economic rent were not housed. He ignored slum clearance, indeed I have letters dated 1953 from the

general manager of the Housing Trust saying slum clearance was not the Trust's function.

But by then the fact that our housing record did not match that of other States was getting a good deal of publicity, so Sir Thomas decided to boost the figures by importing large quantities of Baltic timberframe houses which he intended to erect and sell. These houses were, however, unsuitable for S. A. climate and the seeming short life and high maintenance cost of them made them unattractive to house buyers. So there was nothing for it but to pay for them and rent them. But where was the money to come from. By this time there was a government of Sir Thomas' own political persuasion in Canberra - it allowed him to take the necessary capital under the Commonwealth and State Housing Agreement and to break the agreement. The conditions of the agreement that houses built with money provided under it should be let in accordance with need, and the rebates in rentals should be given to the needy were never carried out. At a time when the average industrial wage in S.A. was under £14 no one on that wage could get one of these houses. The economic rent was £3 and £3/10/- so that you needed £15 per week or so to be allotted a house, or to have more than one person in the family earning.

The people who were on higher wage levels were allotted these houses within months of applying - while those on average wage levels, many of them in much greater need of housing were forced to wait five years and more at that time for old type rented houses.

The attitude taken by our dictator in this matter is of a piece with his general attitude in social assistance - generally speaking he's agin it. And so although he could have had Commonwealth financial assistance to house the needy - he didn't want to do that.

So it is not surprising that today the wait for a rental housing trust home in the metropolitan area is an average of

seven years and not decreasing, while we are faced with a ⁵⁰ ~~five~~ per cent increase in people of marriageable age within the next ten years; and that still financial capacity to pay an economic rent is a prime condition of getting a Housing Trust rental home.

Good Night.